



Entered on Docket
April 19, 2006

Bruce A. Markell

Hon. Bruce A. Markell
United States Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
USA COMMERCIAL MORTGAGE COMPANY,

Debtor.

Case No. BK-S-06-10725 LBR
Chapter 11

**INTERIM ORDER AUTHORIZING
THE EMPLOYMENT
AND RETENTION OF THOMAS J.
ALLISON OF MESIROW
FINANCIAL INTERIM
MANAGEMENT, LLC AS CHIEF
RESTRUCTURING OFFICER
FOR THE DEBTORS AND DEBTORS-
IN-POSSESSION**

Date: April 17, 2006

Time: 1:30 p.m.

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Before the Court is the Motion of USA Commercial Mortgage Company ("USACM"), on behalf of itself and its affiliated debtors, which are USA Securities, LLC ("USAS"), USA Capital Realty Advisors, LLC ("USARA"), USA Capital Diversified Trust Deed Fund, LLC ("Diversified Fund"), and USA Capital First Trust Deed Fund, LLC ("First Deed Fund") (collectively, the "Debtors"), requesting authority to retain and employ Thomas J. Allison ("Allison") of Mesirow Financial Interim Management, LLC ("MFIM") as chief restructuring officer of the Debtors, (the "Motion") pursuant to the terms of the Agreement attached to the Allison Declaration as Exhibit "A" (the Agreement"). Based upon the Motion, the attachments thereto, and the Declaration of Thomas J. Allison (the "Allison Declaration"), and it appearing that the relief sought in the Motion is appropriate and warranted,

IT IS HEREBY ORDERED that:

1. The Motion is GRANTED and the employment of Allison and MFIM as provided in the Agreement is approved.

2. From the date of the filing of the petition until July 27, 2006, the Debtors are authorized to employ Allison as Chief Restructuring Officer ("CRO"), and other employees of MFIM will be employed as temporary employees. Allison will have complete and exclusive charge of the management and operation of the Debtors' business, including hiring and firing employees and agents, paying the wages and other compensation of all of the Debtors' employees and agents, and controlling all bank accounts and financial affairs of the Debtors, paying all bills, expenses and other charges incurred or payable with respect to the operation of the Debtors' business.

3. As provided in the Agreement, the professional services that Allison, with the support of MFIM, will render include the following:

- a. Develop and implement case management strategies, tactics and later develop a plan of reorganization;
- b. Manage the professionals who are advising and assisting the Debtors in the reorganization process to ensure the individual work product is consistent with the Debtors' overall restructuring goals;

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- c. Lead management with the development of a business plan, and such other related forecasts as may be required by the Debtors to support the reorganization and related negotiations with stakeholders;
- d. Communicate and/or negotiate with creditors, equity security holders, their advisors, and other outside stakeholders;
- e. Serve as the representative for the Debtors during communications with the Securities and Exchange Commission and the Nevada Mortgage Lending Division;
- f. Provide the Debtors with any Investigative Services, Accounting Analyses, and Transaction Tracing, as may be deemed necessary or appropriate;
- g. Supervise the preparation of periodic reporting required by the Bankruptcy Court and/or the US Trustee, manage the claim reconciliation process, and provide testimony before the Bankruptcy Court on matters that are within MFIM's area of expertise; and render such other service as may be deemed necessary as part of the reorganization process.

4. Allison and MFIM are required to apply to this Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and Orders of this Court. Subject to this Court's approval and as provided in the Agreement, the Debtors propose to pay Allison and MFIM at their customary hourly rates in effect from time to time as set forth in the Allison Declaration, and as may be directed and allocated by Court order.

5. The retainer that MFIM received shall be held and applied to its allowed final compensation and expense reimbursement and any unused portion shall be returned to the USACM. MFIM applied \$250,000 to pre-petition services. Any amounts in excess of pre-petition fees will be held as an additional retainer. The fees for pre-petition services as well as the fees for post-petition services are subject to review and approval by this Court.

6. In addition to the fees and retainer, the Debtors are authorized to pay an insurance premium in the amount of \$550,000 to obtain directors' & officers' liability coverage for Allison in his capacity as CRO.

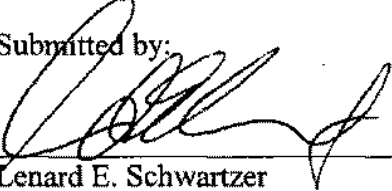
7. Debtors shall indemnify and hold harmless MFIM and its shareholders, affiliates, principals, members, managers, officers, directors, employees, subcontractors, attorneys, professionals, representatives and agents against any and all losses, claims, damages, liabilities,

1 penalties, obligations and expenses, including, without limitation, the costs and expenses for
2 counsel and others (including employees of MFIM), based on their then current hourly billing
3 rates in investigating, preparing or defending any action or claim, all as set forth in detail in the
4 Standard Terms and Conditions attached to the Allison Declaration.

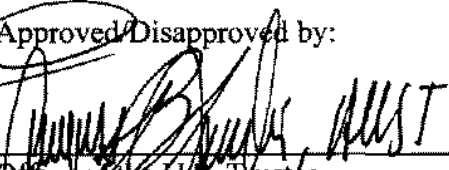
5 8. The Court will consider an extension of the employment of Allison and MFIM on
6 July 27, 2006 at 9:30 a.m.

7 9. Notice of this Order and the hearing on July 17, 2006 shall be given by first class
8 mail to all creditors of each of the Debtors, all investors in First Deed Fund and Diversified Fund,
9 and to all investors whose loans are being serviced by USACM.

10 Submitted by:

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20 Approved/Disapproved by:

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